GOVERNMENT OF INDIA
HEAVY INDUSTRIES AND PUBLIC ENTERPRISES
LOK SABHA

UNSTARRED QUESTION NO:3116
ANSWERED ON:08.12.2000
MANDYA NATIONAL PAPER MILLS
K.H. MUNIYAPPA

Will the Minister of HEAVY INDUSTRIES AND PUBLIC ENTERPRISES be pleased to state:

(a) whether the Government have taken a final decision in the matter of closure of Mandya National Paper Mills Limited at Belagola (Karnataka);

(b) if so, whether adequate compensation and terminal benefits have been disbursed to its employees;

(c) whether all debts of Mandya National Paper Mills have been cleared and the liabilities are still to be met;

(d) whether a few ancillary industries engaged in conversion of paper under the Mandya National Paper Mills have also been forced to close down operations after a few months of working;

(e) whether these ancillary units had raised loans and funds through borrowing in the hope long term operations have been left in the lurch due to the abrupt closure of the Mandya National Paper Mills; and

(f) if so, whether the Government propose to consider paying adequate compensation to these ancillary units to square up losses incurred by them?

Answer

MINISTER OF STATE FOR HEAVY INDUSTRIES AND PUBLIC ENTERPRISES (DR. VALLABHBHAI KATHIRIA)
(a) Yes, Sir.

(b) A voluntary separation scheme (VSS) was offered to the employees between 1.4.2000 to 30.6.2000. Out of total 651 employees, 639 opted for the scheme and were separated on payment of amount due and admissible under the scheme. 11 employees were retrenched under provisions of Industrial Disputes Act, 1947, and paid terminal benefits.

(c) Certain liabilities of the Mill are still to be met. These liabilities are to be settled by the Official Liquidator appointed by the Karnataka High Court.

(d)to (f) In 1992, the Ancillary status for conversion of paper into exercise books was given by Mandya National Paper Mills (MNPM) to 5 small scale units which were already existing and doing the conversion work for other industries. In April 1993, production in MNPM was suspended and security deposits to the Ancillary Units were refunded and their dues were cleared. These units had surrendered original Letter of Intent issued by MNPM. Any claims relating to business matters of the Company would be a subject matter for consideration by the Official Liquidator appointed by the Court.